

# Terms Completed

## ORDER SUMMARY – Case Number: C-10-140

**Name(s):** Explorer Mortgage Inc  
Biaozhi Zhong

**Order Number:** C-10-140-12-CO01

**Effective Date:** July 19, 2012

**License Number:** DFI: 29370 [NMLS: 130282] –Explorer Mortgage  
DFI: 29372 [NMLS: 131315] -Zhong

**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)  
If applicable, you must specifically note the ending dates of terms.

**License Effect:** none

**Not Apply Until:** N/A

**Not Eligible Until:** N/A

**Prohibition/Ban Until:** N/A

<b>Investigation Costs</b>	\$48	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 7/10/12
<b>Fine</b>	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Assessment(s)</b>	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Judgment</b>	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Satisfaction of Judgment Filed?</b>		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

**Comments:**  


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RECEIVED

JUL 06 2012

CONSUMER SERVICES DIVISION  
DEPT OF FINANCIAL INSTITUTIONS  
OLYMPIA, WASHINGTON

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Mortgage Broker Practices Act of Washington by:

NO. C-10-140-12-CO01

EXPLORER MORTGAGE, INC. and  
BIAOZHI ZHONG, Designated Broker,

CONSENT ORDER

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services and Explorer Mortgage, Inc., and Biaozi Zhong, Designated Broker (hereinafter Respondents), and finding that the issues raised in the above-captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges entered on May 3, 2010, (copy attached hereto). The parties intend this Consent Order to fully resolve the Statement of Charges. Respondents are agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

Based upon the foregoing:

A. **Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter of the activities discussed herein.

B. **Waiver of Hearing.** It is AGREED that Respondents have been informed of their right to a Brief Adjudicative Proceeding (BAP), and that they hereby waive their right to a BAP and any and all administrative and

CONSENT ORDER  
EXPLORER MORTGAGE, INC. AND  
BIAOZHI ZHONG  
C-10-140-12-CO01

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DEPARTMENT OF FINANCIAL INSTITUTIONS  
Division of Consumer Services  
150 Israel Rd SW  
PO Box 41200  
Olympia, WA 98504-1200  
(360) 902-8703

1 judicial review of the issues raised in this matter, or of the resolution reached herein. Accordingly, Respondents, by  
2 the signatures below, hereby withdraw their Request for Brief Adjudicative Proceeding.

3 **C. Investigation Fee.** It is AGREED that Respondents have paid to the Department an investigation fee of  
4 \$48, in the form of a cashier's check made payable to the "Washington State Treasurer".

5 **D. Authority to Execute Order.** It is AGREED that the undersigned Respondents have represented and  
6 warranted that they have the full power and right to execute this Consent Order on behalf of the parties represented.

7 **E. Non-Compliance with Order.** It is AGREED that Respondents understand that failure to abide by  
8 the terms and conditions of this Consent Order may result in further legal action by the Director. In the event of  
9 such legal action, Respondents may be responsible to reimburse the Director for the cost incurred in pursuing  
10 such action, including but not limited to, attorney fees.

11 **F. Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily entered into  
12 this Consent Order, which is effective when signed by the Director's designee.

13 **G. Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read this Consent  
14 Order in its entirety and fully understand and agree to all of the same.

15 **RESPONDENTS:**

16 **Explorer Mortgage, Inc. and Biaozi Zhong**  
17 **Bv:**

18  
19 Biaozi Zhong, Designated Broker

20  
21 7/3/12  
22 Date

23 Biaozi Zhong, Individually

24 7/3/12  
25 Date

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DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 19th DAY OF July, 2012.

DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

DEBORAH TAEILLIOUS  
Financial Legal Examiner

Approved by:

CHARLES E. CLARK  
Enforcement Chief



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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES**

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Mortgage Broker Practices Act of Washington by:

EXPLORER MORTGAGE INC;  
BIAOZHI ZHONG, DESIGNATED BROKER,

Respondents.

NO. C-10-140-10-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER  
AN ORDER TO IMPOSE FINE AND COLLECT  
INVESTIGATION FEE

**INTRODUCTION**

Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 19.146 RCW, the Mortgage Broker Practices Act (Act). After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as the date of this Statement of Charges, the Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondents.** Explorer Mortgage Inc was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker at all times relevant to the conduct alleged. At all times relevant to the Statement of Charges, Biaozi Zhong was the Designated Broker for the company.

**1.2 Failure to File Mortgage Broker Annual Report.** By March 31, 2010, Respondents were required to file an annual report of mortgage broker activity to include the total number of closed loans originated and the total volume of closed loans originated. As of the date of this Statement of Charges Respondents have not filed the 2009 mortgage broker annual report.

**1.3 Failure to File Mortgage Broker Closure Form.** Respondents are required to file a completed closure form and submit a surrender request through the NMLSR. As of the date of this Statement of Charges, Respondents have not filed a completed closure form or submitted a surrender request through the NMLSR.

1 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by  
2 Respondents continues to date.

3 **II. GROUNDS FOR ENTRY OF ORDER**

4 **2.1 Requirement to File Mortgage Broker Annual Report.** Based on the Factual Allegations set forth in  
5 Section I above, Respondents are in apparent violation of RCW 19.146.290(1), WAC 208-660-250(7) and  
6 WAC 208-660-400(1), (2), (3), and (4) for failing to file the mortgage broker annual report.

7 **2.2 Requirement to File Mortgage Broker Closure Form.** Based on the Factual Allegations set forth in  
8 Section I above, Respondents are in apparent violation of WAC 208-660-163(18) for failing to submit a  
9 surrender request through the NMLSR or failing to submit a completed departmental closure form.

10 **III. AUTHORITY TO IMPOSE SANCTIONS**

11 **3.1 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(e) the Director may impose fines on a  
12 licensee or other person subject to the Act for any violations of the Act.

13 **3.2 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-520, and WAC  
14 208-660-550(4), upon completion of any investigation of the books and records of a licensee or other person subject  
15 to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover the cost of  
16 the investigation. The investigation charge will be calculated at the rate of \$48 per hour that each staff person  
17 devoted to the investigation.

18 **IV. NOTICE OF INTENTION TO ENTER ORDER**

19 Respondents violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth in  
20 the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis  
21 for the entry of an Order under RCW 19.146.220, RCW 19.146.221 and RCW 19.146.223. Therefore, it is the  
22 Director's intention to ORDER that:

23 **4.1** Respondents Explorer Mortgage Inc and Biaozi Zhong jointly and severally pay a fine of \$100  
24 per day beginning April 1, 2010, until the date the 2009 Mortgage Broker Annual Report is filed;  
25 and

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- 4.2 Respondents Explorer Mortgage Inc and Biaozi Zhong jointly and severally pay an investigation fee, which as of the date of these charges is \$48 calculated at \$48 per hour for one staff hour devoted to the investigation; and
- 4.3 Respondents Explorer Mortgage Inc and Biaozi Zhong file the 2009 annual report of mortgage broker activity.
- 4.4 Respondents Explorer Mortgage Inc and Biaozi Zhong submit a surrender request through NMLSR and submit a completed departmental closure form.
- 4.5 Respondents Explorer Mortgage Inc and Biaozi Zhong maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating to Respondent Explorer Mortgage Inc's mortgage broker business, and the name, address and telephone number of the individual responsible for maintenance of such records in compliance with the Act.

**V. AUTHORITY AND PROCEDURE**

This Statement of Charges and Notice of Intention to Enter an Order to Impose Fine and Collect Investigation Fee (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a Brief Adjudicative Proceeding as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR BRIEF ADJUDICATIVE PROCEEDING accompanying this Statement of Charges.

Dated this 3<sup>rd</sup> day of May, 2010.

DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

FATIMA BATIE  
Financial Legal Examiner Supervisor

Approved by:

JAMES R. BRUSSELBACK  
Enforcement Chief

